

Message Text

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C O N F I D E N T I A L QUITO 0526

E.O. 11652: GDS

TAGS: PINT, EC

SUBJECT: WHAT LED TO THE CHANGE IN GOVERNMENT?

1. BEGIN SUMMARY: PRESIDENT RODRIGUEZ LARA WAS FORCED TO RESIGN FROM OFFICE BECAUSE OF HIS INABILITY TO COPE SUCCESSFULLY WITH CHALLENGES TO HIS LEADERSHIP BOTH FROM A DIVIDED ARMED FORCES AND FROM INCREASING ECONOMIC DEMANDS AND POLITICAL DISCONTENT WITHIN ECUADOREAN SOCIETY. SENIOR OFFICERS OF THE ECUADOREAN ARMED FORCES WERE, HOWEVER, UNWILLING TO SEE THE MILITARY RELINQUISH POWER, AND ASSUMED IT THEMSELVES. TO A LARGE DEGREE, THE SAME PROBLEMS THAT CONFRONTED RODRIGUEZ LARA NOW HAVE TO BE DEALT WITH BY THE SUPREME COUNCIL, WHICH WILL FIND THAT THEIR RESOLUTION IS NO EASY TASK, AND EVEN THAT SOME OF THE PROBLEMS ARE LIKELY TO GROW IN MAGNITUDE. END SUMMARY.

2. DISUNITY AND RIVALRY WITHIN THE ARMED FORCES WERE THE MAJOR FACTORS IN THE FALL OF RODRIGUEZ. SINCE THE TIME OF THE ABORTIVE SEPTEMBER 1 COUP, UNITY WITHIN THE ARMED FORCES HAS BEEN FRAGMENTED. DIVISIONS WERE ACCENTUATED BY THE RODRIGUEZ GOVERNMENT'S POOR HANDLING OF THOSE IMPLICATED IN THE SUBVERSION. THERE WERE AND ARE THOSE WITHIN THE MILITARY WHO FEEL IT IS THE MISSION OF THE ARMED FORCES TO ALTER FUNDAMENTALLY THE SOCIO-ECONOMIC FABRIC OF THE

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COUNTRY PRIOR TO RETURNING THE GOVERNMENTAL STRUCTURE TO

DEMOCRATIC PROCESSES. SOME OF THESE RESENT WHAT THEY VIEW AS THE CORRUPT AND STUMBLING EFFORTS OF MANY OF THEIR SUPERIORS. THERE ARE, ON THE OTHER HAND, SOME WHO BELIEVE THE MILITARY IS BEING OVERLY POLITICIZED AND WOULD LIKE TO HALT THIS PROCESS, RETURN TO THE BARRACKS, AND HAND THE GOVERNMENT BACK TO CIVILIANS WITHOUT DELAY. BY FAR THE GREATEST CONTENTION DERIVES FROM RIVALRIES AMONG THOSE WHO WANT THE MILITARY TO RETAIN POWER FOR INSTITUTIONAL AND PERSONAL REASONS, AND WANT TO MOVE UP IN THE MILITARY POLITICAL HIERARCHY.

3. THE RODRIGUEZ LARA GOVERNMENT WAS FACED ALSO WITH INCREASED ECONOMIC DEMANDS DERIVING FROM GREATER EXPECTATIONS COMBINED WITH A RISING COST OF LIVING AT A TIME WHEN RESOURCES AVAILABLE TO THE GOVERNMENT WERE FALLING BELOW EXPECTED LEVELS. THE PROBLEMS WERE EXACERBATED BY MISTAKES IN GOVERNMENT POLICIES (ESPECIALLY PETROLEUM MIS-MANAGEMENT) AND INFLATIONARY FACTORS. WIDESPREAD DEMANDS FOR HIGHER WAGES WERE COUPLED WITH WIDESPREAD INSISTENCE UPON LOW PRICES FOR BASIC STAPLES AND NECESSITIES.

4. IN THE ECONOMIC FIELD WE SAW THE RODRIGUEZ GOVERNMENT GIVE IN TO PRESSURES FOR HIGHER SALARIES FOR DOCTORS AND HOSPITAL WORKERS AND MORE FUNDS FOR PUBLIC HEALTH; HIGHER WAGES FOR TEACHERS AND MORE MONEY FOR EDUCATION; GREATER SUBSIDIES FOR UNIVERSITY STUDENTS AND MORE MONEY FOR COLLEGE-LEVEL FACILITIES; HIGHER WAGES FOR CIVIL SERVANTS, AND PRESSURES FOR THE SAME FROM ALL ALONG THE LABOR SPECTRUM. IRONICALLY, AT THE POINT WHEN THE RODRIGUEZ GOVERNMENT ABANDONED THE TACTIC OF BUYING OFF THE OPPOSITION AND TOOK A FIRM POSITION AGAINST MONOPOLISTIC PRACTICES OF BUS OWNERS, IT WAS TOO LATE. ECONOMIC DISCONTENT WAS ALREADY RIFE AND IT CAME FROM CONFLICTING AND COMPETING QUARTERS.

5. NOR CAN POLITICAL DISCONTENT BE RULED OUT AS A FACTOR IN THE FORCED RESIGNATION OF RODRIGUEZ LARA. AS HAS BEEN FREQUENTLY STATED BY THE EMBASSY, ECUADOREAN POLITICAL PARTIES ARE NOT SUFFICIENTLY STRONG TO IMMEDIATELY AFFECT THE ACTIONS OF THE MILITARY GOVERNMENT, BUT THEIR CONTINUAL CARPING SETS AN ENVIRONMENT THAT HEIGHTENS DISCORD WITH SOCIETY, INCLUDING

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WITHIN THE ARMED FORCES. MOREOVER, ECUADOREANS ARE NOT ACCUSTOMED TO LONG TENURES BY THEIR PRESIDENTS, AND MANY WERE

BEGINNING TO FEEL THAT RODRIGUEZ HAD SERVED LONG ENOUGH. THE COUP ATTEMPT OF SEPTEMBER 1 UNDOUBTEDLY OCCURED IN PART BECAUSE GENERAL RAUL GONZALEZ ALVEAR, ITS LEADER, OVER ESTIMATED THE DEGREE OF SUPPORT HE MIGHT GET, BECAUSE THE COMPLAINTS OF POLITICAL PARTIES AND THE PRIVATE SECTOR

WERE SO PRONOUNCED.

6. IN THE FINAL ANALYSIS, RODRIGUEZ MAY HAVE SOWED THE SEEDS OF HIS OWN DOWNFALL. HAD HE BEEN SOMEWHAT TOUGHER EARLIER IN DEALING WITH UNREASONABLE ECONOMIC DEMANDS AND INCIPIENT POLITICAL ANARCHY; HAD HE HANDLED THE NATION'S PETROLEUM POLICY BETTER; AND HAD HE EXERTED MORE CONTROL OVER THE ARMED FORCES, HIS GOVERNMENT MIGHT HAVE LASTED LONGER. INEPT ECONOMIC ADVISERS (NOTABLY LEFTIST MINISTER OF NATURAL RESOURCES ADMIRAL GUSTAVO JARRIN, AND HIS FOLLOWER COLONEL RENE VARGAS THEN HEAD OF THE STATE OIL COMPANY, AND NOW DESIGNATED MINISTER OF NATURAL RESOURCES) AND SLOWNESS IN RECTIFYING THEIR MISTAKES, ARE GENERALLY CONCEDED TO BE AT THE ROOT OF ECUADORE'S CURRENT ECONOMIC DIFFICULTIES. RECURRENT REPORTS IN THE NEWS MEDIA AND RUMOR CIRCUIT OF MISMANAGEMENT AND CORRUPTION, AND THE ECONOMIC SQUEEZE ON THE MIDDLE AND LOWER CLASSES, HASTENED RODRIGUEZ' POLITICAL DEMISE. TWICE WITHIN RODRIGUEZ LARA'S LAST TWO MONTHS, LABOR UNIONS AND STUDENTS BROUGHT ABOUT NATIONWIDE SHUTDOWNS.

7. COMMENT: THE TEMPORARY VICTORS IN THE INTERNAL STRUGGLE FOR POWER ARE THE THREE MEMBERS OF THE NEW SUPREME COUNCIL (WHICH WAS ITSELF A COMPROMISE SOLUTION). RIVALRIES STILL EXIST, WITH DIVISIONS NOT ONLY AMONG SENIOR OFFICERS, BUT ALSO BETWEEN GENERAL OFFICERS AND COLONELS. THE PROBLEMS THAT CONFRONTED THE RODRIGUEZ GOVERNMENT WILL NOW HAVE TO BE FACED BY THE SUPREME COUNCIL. ECONOMIC PROBLEMS CONTINUE, AND DISUNITY WITHIN THE ARMED FORCES PERSISTS. HOW THE SUPREME COUNCIL COPE WITH THESE TWO MATTERS AND HOW IT DEALS WITH CIVILIAN POLITICAL OPPOSITION AND MEETS ITS COMMITMENT TO RETURN TO CIVILIAN CONSTITUTIONAL GOVERNMENT, WILL BE THE PRINCIPAL DETERMINANTS OF THE NEW GOVERNMENT'S STABILITY AND SUCCESS. END COMMENT.
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